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7                   UNITED STATES DISTRICT COURT  
8                   WESTERN DISTRICT OF WASHINGTON  
9                   AT SEATTLE

10                   SECURITIES AND EXCHANGE  
11                   COMMISSION,

12                   Plaintiff,

13                   v.

14                   PATH AMERICA, LLC, et al.,

15                   Defendants, and

16                   POTALA SHORELINE, LLC, et al.,

17                   Relief Defendants.

CASE NO. C15-1350JLR

ELEVENTH ORDER  
REGARDING FEE  
APPLICATIONS

18                   Before the court are five quarterly fee applications: **(1)** the eleventh interim fee  
19 application of Receiver Michael A. Grassmueck (“the Receiver”) for \$4,084.00 in fees  
20 and \$369.65 in costs (Dkt. # 633); **(2)** the eleventh interim fee application of the  
21 Receiver’s general counsel, Allen Matkins Leck Gamble Mallory & Natsis, LLP (“Allen  
22 Matkins”), for \$101,515.28 in fees and \$5,132.28 in costs (Dkt. # 634); **(3)** the eleventh

1 interim fee application of Financial Forensics, the Receiver’s forensic accountant, for  
2 \$8,127.00 in fees (Dkt. # 635); (4) the eighth interim fee application of Peterson Sullivan  
3 LLP, tax accountants for the Receiver, for \$8,008.75 in fees (Dkt. # 636); and (5) the  
4 tenth quarterly fee application of Receiver’s local counsel, Karr, Tuttle Campbell, P.S.  
5 (“Karr Tuttle”), for \$2,080.50 in fees and \$120.50 in costs (Dkt. # 637). As described  
6 below, the court GRANTS the fee applications of the Receiver, Allen Matkins, Financial  
7 Forensics, Peterson Sullivan, and Karr Tuttle (Dkt. ## 633-37).

8 Counsel for the Receiver filed all of the foregoing motions on August 16, 2018,  
9 and properly noted them for the court’s consideration on August 31, 2018. (*See id.*) Any  
10 opposition to the motions was due no later than Monday, August 27, 2018. *See Local*  
11 *Rules W.D. Wash. LCR 7(d)(3)* (“Any opposition papers shall be filed and served no  
12 later than the Monday before the noting date.”). No party filed an opposition to any of  
13 the motions. (*See generally* Dkt.)

14 The court finds that (1) the fees and costs requested in each of the fee applications  
15 listed above are reasonable and necessary, (2) the notice of the fee applications was  
16 appropriate, (3) the fee applications are made in accordance with the Order Appointing  
17 Receiver (*see Order Appointing Receiver (“OAR”)* (Dkt. # 88) ¶¶ 55-59), and (4) the  
18 services provided were of substantial benefit to the Receivership Estate. Each of the  
19 foregoing applicants seeks a distribution of only 80% of the approved fees and costs at  
20 this time. (*See id.* ¶ 58 (“Quarterly Fee Applications may be subject to a holdback in the  
21 amount of 20% of the amount of fees and expenses for each application filed with the  
22 //

1 Court.”); *see also* Dkt. # 633 at 2; Dkt. # 634 at 2; Dkt. # 635 at 4; Dkt. # 636 at 4; Dkt. #  
2 637 at 2.)

3 Accordingly, the court GRANTS the fee applications (Dkt. ## 633-37) and  
4 APPROVES on an interim basis the following application amounts for the period of April  
5 1, 2018, through June 30, 2018:

<b>Applicant:</b>	<b>Fees:</b>	<b>Costs:</b>	<b>Total Allowed:</b>
Receiver Michael A. Grassmueck	\$4,084.00	\$369.65	\$4,453.65
Allen Atkins	\$101,515.05	\$5,132.28	\$106,647.33
Financial Forensics	\$8,127.00	\$00.00	\$8,127.00
Peterson Sullivan	\$8,008.75	\$00.00	\$8,008.75
Karr Tuttle <sup>1</sup>	\$2,080.50	\$120.50	\$2,201.00

12 Finally, the court AUTHORIZES the Receiver to disburse the following  
13 percentages of the foregoing approved fees and costs at this time:  
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- 15 (1) The court AUTHORIZES the Receiver to disburse \$3,562.92 to the Receiver,  
16 which is 80% of the approved fees and costs;
- 17 (2) The court AUTHORIZES the Receiver to disburse \$85,317.86 to Allen  
18 Atkins, which is 80% of the approved fees and costs;
- 19 (3) The court AUTHORIZES the Receiver to disburse \$6,501.60 to Financial  
20 Forensics, which is 80% of the approved fees and costs;

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22 <sup>1</sup> Karr Tuttle applies for fees and costs for the period January 1, 2018, through June 30,  
2018. (KT Mot. (Dkt. # 637) at 3.)

- 1                   (4) The court AUTHORIZES the Receiver to disburse \$6,407.00 to Peterson  
2                   Sullivan, which is 80% of the approved fees and costs; and  
3                   (5) The court AUTHORIZES the Receiver to disburse \$1,760.80 to Karr Tuttle,  
4                   which is 80% of the approved fees and costs.

5                   Dated this 29th day of August, 2018.

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9                   JAMES L. ROBART  
10                  United States District Judge

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